



September 21, 2026

2027 Health Plan Benefit Changes

Dear ASU System Employee,

Beginning Jan. 1, 2027, three primary changes to the ASU System Health Plan will go into effect as part of our efforts to keep premiums as affordable as possible while maintaining a financially sustainable plan that serves the needs of our employees. These changes include the implementation of a Working Spouse Provision, premium increases and changes to the structure of the three Health Plan options.

Working Spouse Provision:

Effective Jan. 1, 2027, the ASU System Health Plan will implement a Working Spouse Provision that is common among large employers. Under this provision, employees whose spouses are employed and have access to and are eligible for medical coverage through their own employer will be expected to enroll their spouse in that employer-sponsored coverage. This provision applies only to spouses and does not affect eligibility for dependent children.

The provision does not apply when both the employee and spouse are employees of the ASU System. In this situation, employees may choose the coverage arrangement that best meets their family's needs. For example, each employee may elect separate Employee Only coverage, or one employee may elect Employee and Children coverage while the other elects Employee Only, Employee and Spouse, or Family coverage.

As part of Open Enrollment, employees who wish to cover a spouse under the ASU System Health Plan will be asked to provide information regarding their spouse's employment status and access to employer-sponsored medical coverage. Supporting documentation will not normally be required as part of the initial attestation process; however, attestations

may be subject to random external verification. Employees will be expected to provide complete and accurate information.

If a spouse does not have access to eligible medical coverage through their employer, the Working Spouse Provision will not affect their eligibility for coverage under the ASU System Health Plan. Additionally, if a spouse loses employer-sponsored coverage during the year, that loss may qualify as a life event that allows the spouse to enroll in the ASU System Health Plan outside of Open Enrollment. Employees should contact their Benefits Coordinator or Human Resources Office promptly if their spouse's coverage changes.

Changes to Employee Premiums and Plan

The ASU System Health Plan will also have changes to employee premiums and plan design. These changes are in response to continued increases in the cost of medical care, prescription drugs, and other expenses associated with providing health coverage.

Employee Premiums:

The amount of the premium increase will vary depending on the health plan and coverage level selected. The tables below provide the monthly and per-paycheck increase for each plan and coverage level. Employees can use this information to understand how their employee premium will change for 2027.

CY2027 Employee Premium Increases

Premier PPO

Coverage Level	Monthly Increase	Per Paycheck
Employee (EE)	\$14.40	\$7.20
EE/Spouse	\$51.40	\$25.70
EE/Children	\$39.00	\$19.50
Family	\$58.10	\$29.05

Classic PPO

Coverage Level	Monthly Increase	Per Paycheck
Employee (EE)	\$9.60	\$4.80
EE/Spouse	\$37.60	\$18.80
EE/Children	\$28.32	\$14.16
Family	\$41.60	\$20.80

High Deductible Health Plan → IRS HDHP

Coverage Level	Monthly Increase	Per Paycheck
Employee (EE)	\$2.60	\$1.30

EE/Spouse	\$16.25	\$8.13
EE/Children	\$12.60	\$6.30
Family	\$17.25	\$8.63

Health Plan Design

Changes to the three plan options are summarized in the tables below. The Premier PPO and Classic PPO will have increases to deductibles, out-of-pocket maximums, office visit copays, and prescription drug copays. Coinsurance will remain at 20% for both plans. Emergency room services under the PPO plans will also move from the current \$200 copay to being subject to the deductible and coinsurance.

The HDHP will have fewer changes. The individual deductible will increase from \$3,400 to \$3,500, and the family deductible will increase from \$6,800 to \$7,000 to meet applicable federal requirements for Health Savings Account (HSA)-qualified plans. The HDHP out-of-pocket maximums and coinsurance will remain unchanged.

ASU System CY2027 Health Plan Design Changes

Premier PPO:

Benefit	2026	2027
Coinsurance (EE%)	20%	20%
Deductible – EE	\$1,000	\$1,200
Deductible – Family	\$2,000	\$2,400
OOPM – EE	\$3,000	\$3,200
OOPM – Family	\$6,000	\$6,400
Primary Care Visit	\$35	\$40
Specialist Visit	\$50	\$55
Emergency Room	\$200*	Ded./Coins.
Urgent Care	\$35	\$35
Rx Tier 1 Retail	\$12	\$15
Rx Tier 2 Retail	\$50	\$55
Rx Tier 3 Retail	\$80	\$90
Rx Tier 4 Retail	\$100	\$150

Classic PPO:

Benefit	2026	2027
Coinsurance (EE%)	20%	20%
Deductible – EE	\$1,500	\$1,800
Deductible – Family	\$3,000	\$3,600
OOPM – EE	\$4,000	\$4,500

OOPM – Family	\$8,000	\$9,000
Primary Care Visit	\$35	\$45
Specialist Visit	\$50	\$60
Emergency Room	\$200*	Ded./Coins.
Urgent Care	\$35	\$40
Rx Tier 1 Retail	\$12	\$20
Rx Tier 2 Retail	\$50	\$60
Rx Tier 3 Retail	\$80	\$100
Rx Tier 4 Retail	\$100	\$200

High Deductible (HDHP):

Benefit	2026	2027
Coinsurance (EE%)	20%	20%
Deductible – EE	\$3,400	\$3,500
Deductible – Family	\$6,800	\$7,000
OOPM – EE	\$6,650	\$6,650
OOPM – Family	\$13,300	\$13,300
Primary Care Visit	Ded./Coins.	Ded./Coins.
Specialist Visit	Ded./Coins.	Ded./Coins.
Emergency Room	Ded./Coins.	Ded./Coins.
Urgent Care	Ded./Coins.	Ded./Coins.
Rx Tier 1 Retail	Ded./Coins.	Ded./Coins.
Rx Tier 2 Retail	Ded./Coins.	Ded./Coins.
Rx Tier 3 Retail	Ded./Coins.	Ded./Coins.
Rx Tier 4 Retail	Ded./Coins.	Ded./Coins.

**Emergency room services under the PPO plans will be subject to the deductible and coinsurance beginning January 1, 2027.*

To provide additional support for employees enrolled in the HDHP, the ASU System will also increase its employer HSA contribution for 2027.

HSA Employer Contribution

Coverage Level	2026	2027	Increase
Employee Only	\$500/year	\$650/year	+\$150
All Other Coverage Levels	\$1,000/year	\$1,300/year	+\$300

The increased employer HSA contribution is intended to provide additional financial support for employees enrolled in the HDHP and can be used toward qualified medical expenses, including expenses applied to the deductible. HSA funds belong to the

employee and, subject to applicable federal rules, unused funds may remain in the account and carry forward from year to year.

The out-of-pocket maximum continues to provide an important financial safeguard by limiting the amount an individual or family generally pays for covered, in-network medical and prescription drug expenses during the plan year. Once the applicable maximum is reached, the Plan may pay 100% of additional covered, in-network expenses for the remainder of the plan year. Premiums and certain non-covered or out-of-network expenses do not count toward the out-of-pocket maximum.

The tables above provide a summary of the CY2027 changes to the three Health Plan options. Employees are encouraged to review the plan details and consider their individual and family health care needs when making their Open Enrollment elections.

We have prepared a **Frequently Asked Questions** document for your convenience to address additional questions you may have regarding the changes for 2027. Open Enrollment will begin November 1, 2026, and all information will be available on the ASU System website.

Please contact your Human Resources Office if we can be of assistance in the meantime.

Thank you!

Sincerely,

ASU System Benefits Committee